

socialist review

Issue 30

For a democratic and socialist alternative

November 2009

End Poverty Wages

\$2



UNITE

**Campaign
for a living wage**

**Battle of Seattle
1999 WTO Protests**

**Berlin Wall
20 years later**

WHERE WE STAND

Socialism

Capitalism is a system of crisis, exploitation and war in which production is for profit, not human need. Although workers create society's wealth, they have no control over its production or distribution. A new society can only be built when workers collectively seize control of that wealth and create a new state in which they will make the decisions about the economy, social life and the environment.

Workers' Power

Only the working class has the power to create a society free from exploitation, oppression and want. Liberation can be won only through the struggles of workers themselves, organised independently of all other classes and fighting for real workers' power - a new kind of state based on democratically elected workers' councils. China and Cuba, like the former Soviet Union and Eastern Europe, have nothing to do with socialism. They are repressive state capitalist regimes. We support the struggles of workers against every ruling class.

Revolution Not Reformism

Despite the myth of parliamentary democracy, the structures of parliament, the army, the police and the judiciary cannot be taken over and used by the working class majority. They grew up under capitalism and are designed to protect the ruling class against workers. There is no parliamentary road to socialism.

Internationalism

Workers in every country are exploited by capitalism, so the struggle for socialism is part of a worldwide struggle. We oppose everything that divides workers of different countries. We oppose all immigration controls. We campaign for solidarity with workers in other countries. We oppose imperialism and support all genuine national liberation struggles.

Liberation From Oppression

We fight for democratic rights. We are opposed

to the oppression of women, Maori, Pacific Islanders, gays and lesbians. These forms of oppression are used to divide the working class. We support the right of all oppressed groups to organise for their own defence. All these forms of liberation are essential to socialism and impossible without it.

Tino Rangatiratanga

We support the struggle for tino rangatiratanga. Maori capitalists and politicians have no interest in achieving tino rangatiratanga for working class Maori. The Government and corporate warriors' approach to Treaty claims has benefited a Maori elite while doing little for working class Maori. Tino rangatiratanga cannot be achieved within capitalism. It will only become a reality with the establishment of a workers' state and socialist society.

Revolutionary Organisation

To achieve socialism, the most militant sections of the working class have to be organised into a revolutionary socialist party. Such a party can only be built by day-to-day activity in the mass organisations of the working class. We have to prove in practice to other workers that reformist leaders and reformist ideas are opposed to their own interests. We have to build a rank and file movement within the unions. We are beginning to build such a party, linking the ideas of revolutionary socialism to workers' struggles against the system. If you agree with our ideas and want to fight for socialism, we urge you to join us.

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Learning from a century of struggle

In this edition of *Socialist Review* we celebrate two anniversaries: twenty years since the fall of the Berlin Wall and the end of the Stalinist regimes in Eastern Europe and ten years since the Battle of Seattle.

The Russian Revolution was a historic victory - ending the stalemate of the First World War and offering for the first time in history the possibility of a classless society but the hopes of the Russian people rested almost entirely on the highly industrialised Germany. As revolutionary leader Vladimir Lenin stressed, "Without a revolution in Germany, we are doomed". But although the German working class rose up again and again between 1918 and 1919, the revolutionary party was too weak and the reformist Social-democratic Party too committed to capitalism. The failure of the German revolution strengthened counter-revolutionary reaction within Russia. With the death of Lenin, Josef Stalin became the mouthpiece of an emerging bureaucratic elite. His policy, 'socialism in one country', made the success of revolutionary movements secondary to Russian power. Misled by Stalin, the German Communist Party failed utterly to stop Hitler and a descent into fascist barbarity and war. The triumph of the Nazis in Germany in turn allowed the Russian bureaucratic ruling class to cement its control with state terror.

State capitalism

The great lie of the twentieth century was that the Soviet Union was a socialist state. As Karl Marx wrote in 1847: "We are not among those communists who are out to destroy personal liberty, who wish to turn the world into one huge barrack or into a gigantic workhouse. There certainly are some communists who, with an easy conscience, refuse to countenance personal liberty and would like to shuffle it out of the world because they consider that it is a hindrance to complete harmony. But we have no desire to exchange freedom for equality."

Equally important, if socialism was to represent a new society of freedom, then it had to be achieved through a process in which people liberated themselves. Unlike the utopian socialists who looked to an elite to change things for the masses, Marx argued that the masses had to free themselves. Freedom could not be conquered for and handed over to the working masses. The working class, whether in the East or West, in the advanced economies or third world, has continued to be the most powerful single social force in the twentieth century. But time and again, misleadership by social-democratic parliamentary reformists like Labour or Stalinist "communism" ensured the defeat of



working class power.

End of the Cold War

The end of the Cold War resulted in an orgy of triumphalism from the right. The fall of the Berlin Wall was supposedly the death of socialism. Historian Francis Fukuyama went so far as to proclaim the "end of history"! For many on the left, the demise of Stalinism resulted in disorientation. For working people in the former Soviet Bloc countries though, the promises of freedom and prosperity that came with the end of communism were empty. For most people living in Russia and Eastern Europe, quality of life fell in the years following the fall of the Wall.

The Battle of Seattle

The anti-WTO protests in Seattle marked a turning point, spawning a wave of similar protests at major capitalist meetings, like the G7/G8 in Genoa. Activists were no longer on the defensive, but actively demanding progressive change in how capitalists were treating the third world and the environment. This movement was possible, in part, because since the end of the Cold War, opposition to starvation or environmental destruction could not be suppressed as 'communist subversion' in the West or 'capitalist propaganda' in the East. On the crest of this wave, leftist forces grew around the world. One of those was the Socialist Workers Party in Britain. But it is not enough for socialists to sit around and wait for the massive waves of struggle that do spread through the world like wildfire every so often. Success or failure depends on the hard slog of building and holding together political organizations in the dark days when the bosses are on the offensive.

Life in the struggle

British socialist Chris Harman knew this, and worked consistently to build the Socialist Workers Party - even through Thatcher's era of mass unemployment and the betrayals of the Blair Labour government. Harman joined the Socialist Workers Party when it was a small student organization in the 1960s and quickly

proved his leadership ability in the upturn in 1968. His book about this era - *The Fire Last Time* - told the story of that momentous year in modern history, from the millions-strong French general strike to the struggle against the invasion of Vietnam. Harman made major contributions to economics, such as his last book *Zombie Capitalism*, but his theoretical work was never academic, it always aimed to arm working people with ideas that can win. An internationalist to the end, Harman died while attending a conference organized by the rapidly growing Egyptian socialist movement.

Hero of the Ghetto

This issue also celebrates the life of Marek Edelman, the last surviving leader of the heroic Warsaw Ghetto uprising of 1943. Under Nazi occupation, a ghetto was created as a holding pen for Jews destined for the death camps. In a desperate struggle against overwhelming odds, a ragged army fought tooth and nail against the Nazis. Defeat was inevitable but their stand inspired armed resistance against the Nazis throughout occupied Europe. After the war, Edelman neither fled to the US or Israel nor made his peace with Stalinism. He remained in Poland and was a member of the Solidarity trade union that brought down the Polish police state. Always opposed to Zionism, in recent years Edelman hailed the Palestinian resistance, the victims of Israeli oppression, as his comrades in arms. The challenges of today are no less momentous than the tumultuous times that Harman and Edelman lived through. Within New Zealand, real wages and living standards have been stagnating or declining for more than two decades. Internationally, unnecessary poverty and war still blights the lives of millions. On a global scale, climate change could usher in an era of resource wars and plummeting living standards or it could be the catalyst for positive political change. To meet these challenges we need the vision, self-sacrifice and energy epitomised by the lives of Harman and Edelman. The struggle continues!

The Campaign for a Living Wage



The Campaign for a Living Wage was launched by Unite earlier this year. The aim is to collect 300,000 signatures by May 1, 2010, as the first step to holding a citizens' initiated referendum. Even if this campaign does not succeed in its stated goal, it sets an ambitious target and encourages people to set their sights higher.

One of the problems with Labour is that elections raise people's hopes only to dash them when, in office, promises are left unfulfilled. A campaign like this one, which is also used as an organizing tool for a fighting trade union, does not make promises to working people, but instead makes demands.

If this campaign does fail then it will not be for want of public support but for want of organisation. If every trade unionist in the country signed the petition we would have the numbers for a referendum now. The failure of the CTU to act on its supposed policy is a sign of the weakness of mainstream unions. The straightforward politics of the campaign are a relief after decades of leftists scrabbling to find 'popular', media-savvy slogans that would avoid the tired old issues of workers and wages. The Unite campaign has put those issues back where they belong – at the heart of the project and certainly, there is no lack of interest and support.

Why we support Unite

Unite is a fighting trade union. Since the

1980s, or even the 70s, the union movement has been on the defensive, trading away strength to preserve past gains, thus paving the way for future defeats. Unite, by contrast, started out by organising the supposedly unorganisable. The leadership – including people like John Minto, Mike Treen and Matt McCarten – is experienced in political campaigning and Unite tactics are more creative than any other union. McCarten is a former leader of the Labour left and the Alliance party, but he started his political career in his early 20s, organising transient workers in the Queenstown hospitality industry.

McCarten vs Field

Unlike former colleagues, like Phillip Taito Field, McCarten has constantly worked towards building an independent working class movement; he split from Labour and then Alliance to turn back towards building the movement from the ground up. The successes of Unite – their spectacular growth, the wage rises they have won for members and the abolition of youth rates testify clearly to the effectiveness of

this strategy. The campaign for a living wage and supporting Unite provides a great opportunity for socialists in relatively isolated cities like Dunedin to have a national impact and raise the expectations and strength of working people and students in this city.

Long road to freedom

The successes that Unite has enjoyed so far should not lead anyone to suppose organising a working class movement is easy. As McCarten says, "we are playing chess, not checkers". This is the beginning of a long process of rebuilding basic working class organisations and a revolutionary political current. We cannot rely on any of the traditional institutional supports for progressive politics – whether in government departments, the universities, the education sector, mainstream union leadership, the Labour or Greens party, or any section of business. We want to build a working class movement that can win the support of small business, but that can't be done by building a party that represents small business or manufacturing and workers equally, as the Alliance tried to do.

Demanding work

This task will demand hours of work and constant organisation from hundreds, if not thousands of people, in the same way workers parties of the past were built. You should wear out your shoes and lose your voice more than once, without any expectation of financial benefit or a cushy job. Revolutionary organisation demands that socialists forsake the safety of institutional politics and rely on the support of the as-yet-silent working class majority. In fact, in the face of renewed attacks on health and education, on jobs and benefits, and suicidal environmental and military policies, we are convinced that this is the only safety to be had. Join the struggle – study, organise, build a workers party.

Andrew Tait

Fight for a better world

In the last month or so, the International Socialist Organisation has put a lot of effort into building the Campaign for a Living Wage, which was launched by the Unite, New Zealand's newest and most dynamic union. Why have we chosen to work on this campaign, when there are so many other issues at the moment? The most pressing is the campaign to provide relief to the Pacific islands which were hit by a lethal tsunami. That campaign has attracted widespread support as New Zealanders recognise the close ties between us and other Pacific islands. Another campaign we have supported, although not as strongly, is the campaign against cuts to ACC which will protect rapists by making it harder for victims of sexual abuse to access support. The biggest campaign is the international day of action on climate change. The scale of environmental damage poses a threat not just to

working people, not just to NZ and the Pacific, but to the whole of human civilisation. Why then do we not throw all of our weight behind this campaign?

The basic reason is that none of these challenges can be faced without a serious political perspective. Tackling climate change requires more than a change in individual consumption. While events like the Spring Food Festival organised by the 350 organisation raise awareness, they urgently need to move past that to develop serious political alternatives. The ACC cuts threaten the start of a whole scale attack on public health. It's not enough to make good arguments. We need to find the forces in society that can defend public health and arm them with ideas that can win. Finally, the devastation in the Pacific is symptomatic not only of climate change but of the third world dependency

maintained by a world order which privileges New Zealand and Australian business at the expense of Pacific people in the islands and in Australasian cities.

The campaign to raise the minimum wage is not just relatively privileged NZ workers asking for more money. It's a world away from the politics of greed. We are building the unite campaign because we see working people, organised in democratic trade unions, as the most generous and potentially the most powerful force in society – a force that has an interest in public health, in protecting the vulnerable, in international solidarity, and in preserving the planet. This campaign is first and foremost about raising the political consciousness and organised strength of workers so we can build a mass movement that can solve all of these problems in a rational way.

There is power in the union

There's a good song by British socialist songwriter Billy Bragg which says, "there is power in the factory, there is power in the land, there is power in the hand of the worker."

"But it all amounts to nothing if together we don't stand, there is power in the union".

In an uneven world, working people (and students) need to unite, to pool their strength to defend our interests: "Money speaks for money, the devil for his own, who'll come to speak for the skin and the bone? With our brothers and our sisters in many far off lands, there is power in the union". The logic of the powerless gaining power through collective action becomes a logic of generosity.

Generosity

Because working people own very little, their private interests are not a stumbling block to taking a general, impartial view of the world. This is illustrated by the debate over climate change which is channeled through the mass media. I don't know that newspapers are the most eco-friendly operations and I know that many of their top advertisers, such as car companies, are not. It's a lot easier to persuade ordinary people that public transport as the primary means of transport instead of cars could improve their lives and much harder to convince those who run these industries - the old camel-needle problem. But if unions are so great, and we've had them for a hundred years, why have they failed? Why are they weaker now than 30 years ago? Why haven't all union members in the country already signed the petition?

History of trade unions

To understand this we need to look at the history of trade unions and how they interact with the economy and the state. Since the beginning of class society, weaker groups have always seen the need to combine forces. The saying 'unity is strength' is far older than the trade union movement but only with the emergence of the industrial working class did a section of society so combine immediate powerlessness with potential strength. The working class in Industrial Revolution England was perhaps the most miserable group in the world at the time but also directly produced the goods that made Britain the greatest power the world had ever seen. Trade unions were formed spontaneously - but with a great deal of effort and self-sacrifice - by workers who realised this basic fact and drew on ideals of solidarity and hopes for a better future.

Two sides to unions

The early trade unions won many huge gains - the right to vote, to free speech and free assembly, the right to organise and better living

standards for all. In Britain and Germany, the second most industrialized country, trade unions formed millions-strong workers parties and cooperatives for everything from food and education to soccer, singing and cycling. But the organizing successes of the working class movement exposed the political weakness of unions. Unions are the basic combat organisations of the working class but they are primarily defensive. Unions react to attacks from business but rarely put forward another vision. There's another side to unions too, in that the primary job of the officials who staff them is to sell labour to business at the highest possible price. In times of prosperity seems that the socialist utopia will arrive simply by bargaining piece by piece for slightly higher wages each year. In situations of crisis, where whole sections of industry are collapsing, union officials often end up seeing their job as protecting the bosses, not the workers, so that they can continue to sell labour to them in the future.

World War

The early trade unions and working class parties formed a powerful international - the second International - in a time of prosperity. In Britain and Germany, and other European countries, their hopes of an evolutionary arrival at socialism were dashed by the First World War, where only the Russian section of the international stood by the principle of international solidarity as the major parties of the working class sent their own members out to kill each other. After the War, the working class movement took heart from the Russian revolution and the first workers' state and grew in leaps and bounds, but failed to make up the ground it had lost before the crises of the great depression and the Second World War. What should have been an opportunity to put forward an alternative vision for the economy and the world was lost, as Labour reformists and the communist parties, now no longer autonomous but foreign policy tools of the Stalinist regime, urged struggle when the enemy was strong and retreat when the time for battle came.

Post-war boom and New Zealand unions

After WW2, the world economy entered its longest and strongest period of growth, until the 1970s. Again in this period, there seemed little reason to think outside the box, as industrial arbitration - that's wage bargaining organised between unions and bosses by the state - delivered wage rises year after year and unemployment was negligible. At one stage in the sixties it's said there were 12 people unemployed and the minister of labour knew each of them by name. Strikes were regular occurrences and they were necessary to keep the advance going, but they followed a set pattern, with a season occurring annually around national wage rounds. Leading a union became a bureaucratic task. There was little need to

organise in unorganized sections of the workforce and little need for strategy or creative, imaginative tactics.

Oil shocks

This 'golden weather' came to an end, in NZ and around the world, in the 1970s. The oil shocks were the sharp reminder that capitalism has periods of boom and bust and that class divisions can be papered over but not done away with. The trade unions fought hard in NZ and around the world in the 1970s but they had no political or economic perspective past national reforms. Meanwhile, their political wing, the Labour Party, which was supposed to come up with these perspectives, had also realised the old model, which worked during the Long Boom, was out of date. But instead of looking to working class democracy and international struggle, the supposed principles of the labour movement, key figures like Roger Douglas and David Lange abandoned them for the latest so-called free market thinking coming from Ronald Reagan and Margaret Thatcher.

Failure of strategy

The end of the long boom saw the end of a cosy relationship between unions, the bosses and the state, where Beehive gin was merrily drunk by National Party PM Robert Muldoon and trade union leaders. When the 'national interest' was threatened, the state took sides with the interests of business and opted to restructure NZ along capitalist lines. The failure of unions to respond to this was not a failure of strength; it was a failure of strategy. This is crucial. In 1980, 69 per cent of workers were union members, compared to only 22 per cent now. 1977 and 1979 saw the biggest strike waves in the history of NZ. Many of our parents were young workers then, when one in ten was out on strike. Among the rank and file, socialist ideas were common and the top leadership were almost all members of supposedly socialist parties but there was no interest in breaking with the Labour Party, reformism, and the national interest.

Ruling class attacks

The 1980s saw huge layoffs in nationalised and protected industries. Unemployment sapped the strength of the union movement and emboldened the National Party, when it came to power in 1990, to attack union rights and beneficiaries. Finance Minister Ruth Richardson asked dietitians to cost out a minimal food budget - then cut it 20 per cent and set it as the basic dole. When the ECA was introduced by National in 1990, the union leaders were given a mandate from members to call a general strike - polls were running heavily against National and the ECA - but despite the wishes of the rank and file, the leadership did not move. Why? Because destroying the ECA would have meant destroying the National Government and the unions had nothing other than the discredited Labour Party to offer.

Andrew Tait

Revolutionary means are the best way to win reforms

The alternative is to rebuild a working class movement – that means fighting, democratic trade unions and a workers party – that is able to genuinely represent the interests of working people. This does not mean opposing reforms. We believe that the best way – and in times of crisis, the only way – to win reforms is to use revolutionary means. What is the difference between revolutionary and reformist means?

Revolutionary means seek at every turn to increase the power of the working class, where reformists take the working class for granted and see their power as something that can be bargained away for concessions. Most union bureaucrats see their job, if they think about it in this way at all, as ensuring the best wages for their members. Socialist trade unionists see the struggle in a broader sense. Higher wages that are not secured by a strong movement will be taken away as easily as they are given.

Case studies of reformism

Here are three examples: the Maritime Union, which is one of the most left-wing unions and has done an enormous amount of good work, had a campaign about four years ago to renationalize coastal shipping and regulate it through a union-government-employer arrangement. The idea was that foreign shipping would be cut out, allowing the union to better defend and regulate working conditions. The problem is that in order to get an agreement from business and the state, the union would have to discipline its rank and file, cut down on militancy and reduce democracy. The

nationalisation of the shipping by Labour could be undone by the stroke of a National government pen but the damage done to union organisation on the waterfront would take years to fix.

The second example is Working for Families. The Labour Government cycled a great deal of money to working people through the tax department. This in effect left beneficiaries behind and created a big laundromat, where money paid in tax by working people was redistributed by the IRD – even as the share of tax paid through flat taxes like GST increased. This subsidises low wage employers and creates dependency on the state. It has been integrated into the budgets of so many working class families that National had to promise not to touch it but if it were not for this subsidy, union struggles for better wages would inevitably have taken place, leading to increased confidence and shop floor organisation that would have gone past the limits set by Labour.

1984 Labour government

The third example is the most extreme. In the 1980s, the Labour government saw its role as selling out the whole country in order to “save”

capitalism and hopefully create more work somewhere down the line. In the same way that the EPMU allowed Sealords to lay off staff section by section in the hope of saving some jobs, Labour shut down whole parts of the economy. The result was a severe weakening of the strength of the working class. As Mike Treen writes on the unite website: “Official data on

wage movements in New Zealand point to a real wage decline of around 25% between 1982 and the mid 90s that has never been recovered.”

“Productivity has increased by 80% between 1978 and 2008. So real wages are 25% lower but our output is 80% higher.”

“Households made up for the loss in real wages by working more hours

(principally more women and young people) and going into debt. A report by Simon Collins in the NZH 25/11/06 found that average family income in 2001 in constant dollars was the same as in 1981 despite the fact that the proportion of women working went from 47% to 61% and the percentage of families working 50+ hours a week went from half to two thirds.”

“National interest” is a fraud

This makes a mockery of the idea of the “national interest” or the argument that fighting for higher wages is self-defeating because it raises inflation. If inflation and strikes were higher in the 1980s, but living standards were better, then the industrial peace and economic recovery of the last decade is exposed as a fraud practised on the majority of the population. The revolutionary approach is perhaps still best summarised by Karl Marx, in the Communist Manifesto: “The Communists are distinguished from the other working-class parties by this only: (1) In the national struggles of the proletarians of the different countries, they point out and bring to the front the common interests of the entire proletariat, independently of all nationality.

In the various stages of development which the struggle of the working class against the bourgeoisie has to pass through, they always and everywhere represent the interests of the movement as a whole.

The Communists, therefore, are on the one hand practically, the most advanced and resolute section of the working-class parties of every country, that section which pushes forward all others; on the other hand, theoretically, they have over the great mass of the proletariat the advantage of clearly understanding the lines of march, the conditions, and the ultimate general results of the proletarian movement.

Andrew Tait



Socialists look to the working class as the most powerful agents of change in society. We believe that a revolution can only come about through the mobilisation of the majority of the working class. But no action can come without organisation. Trade unions are the basic form of organisation for workers. Ever since capitalism began, in every country and industry, workers have spontaneously joined together to fight for a better deal. But unions are mainly defensive organisations. When the economy is booming, strikes and the solidarity and organisation they require, can seem unnecessary. Union officials can become privileged bureaucrats, out of touch with the rank and file, who are the real strength of any union. We need active, fighting unions, with strong grassroots leadership to win a better deal today.

Labour's scandal in South Auckland

Taito Phillip Field has created history twice in new Zealand. The first time was in 1993 when he became the first Pacific Islander to be elected to parliament, the second time was earlier this year when he became the first MP to be convicted of bribery and corruption.

Mr Field was found guilty of 11 of the 12 bribery and corruption charges and 15 of 23 of the obstruction of justice charges that were brought against him, receiving a sentence of 6 years.

Being charged with corruption means Field has betrayed his office as a member of parliament, and for that he is taken to court. Nothing is said about how he has betrayed his electorate, the working class people of Mangere, or how the Labour Party has betrayed the working class of New Zealand.

Taito Phillip Field was the MP of Mangere, one of the most working class electorates in the country. After winning it in 1996 he held the seat for the next decade. Despite the allegations emerging a week out from the election, Field won the Mangere electorate in 2005 by over 16000 - the largest majority of any electorate in New Zealand. In 2008, after leaving Labour and with charges hanging over his head, he lost the electorate.

What did Field do to deserve such loyal support? After more than 10 years as a member of parliament did he do anything to improve the lives of those in the electorate he represented? It is not as if Field does not know what it is like to be working class. Field immigrated to New Zealand from Samoa at age 7. He worked as a freezing worker before working his way up the union bureaucracy and into the Labour Party. So what exactly did Field achieve from his time in parliament, aside from time in prison?



Labour's shame: Taito Phillip Field rose through the union bureaucracy and the Labour Party to become a millionaire. However, his callous abuse of power to extort work from Thai migrants pales into insignificance next to the abuse of South Auckland by the Labour Party. South Auckland's loyal vote has been a pillar of Labour's support - it saved Helen Clark in the 2005 election - but the party has rewarded this support with neglect, contempt and corruption. When you have a party that betrays the working class you are going to get individuals within it who betray the working class.

Field managed to make himself a millionaire. Much has been made in the media about his conviction for corruption but little has been said about fact he owns a controlling stake in a property development company or that he owns seven properties, five of them in Mangere (Register of pecuniary interests 2006). Besides being in trouble for his own actions, his company, T P Field Developments Ltd, was in trouble with the courts for doing renovations without first getting a permit. Field knew he needed a permit but proceeded anyway.

Field's story is similar to that of the Labour Party. The New Zealand Labour Party has working class roots. It was born from the socialist movement and it is the child of struggles that were part of the legacy of European working class politics and, since the Labour-Ratana alliance, indigenous resistance to colonisation. It has been in and out of office for the past century, but how much has it achieved?

The first Labour government did found the

welfare state but, on the other hand, it dismantled the welfare state in the 1980s. The economic reforms of the fourth Labour government were certainly not in the best interest of the working class of New Zealand. They resulted in the wages of 70 per cent of the population stagnating or declining for the 20 years that followed. The next time Labour was in power, the Helen Clark government, maintained the same basic neo-liberal economic policy as the preceding one had done. Labour abandoned the working class.

The main focus of the Labour party is the Labour party. Its main concern is to be elected, not what it is going to do when it is elected. This is similar to the self-interest of Field, although the system reprimanded him for his actions which will never happen to Labour. It is unsurprising that what happened with Taito Phillip Field - when you have a party that has betrayed the working class you are going to get individuals within it who betray the working class.

Instead of Taito Phillip Field and the Labour Party, what is needed is true representatives of the working class and a true workers party. Despite its heritage Labour has severed its working class roots, and though it still gets support from working people it does not represent the workers of New Zealand. A party representing the working class would not have candidates who are re-elected with bribery and corruption charges hanging over their head.

Taito Phillip Field should be ashamed for his betrayal of the people of Mangere and his betrayal of the people of New Zealand but more fundamentally, Labour should never be forgiven for rewarding their most loyal voters from South Auckland, the working class heart of New Zealand with a conman for their representative. Field has had his day of reckoning. Labour is yet to be held to account.

GT Taylor

Join the Struggle

Socialist Review is a magazine produced by the International Socialist Organisation Aotearoa. It aims to provide quality political analysis that represents the interests of the working class majority in New Zealand. But unlike "alternative" media sources, we don't aim simply to provide an "antidote" to the corporate lies, imperialist wars, oppression and inequality that dominate the global landscape; we aim to put them into historical and economic context, to draw links between the various issues and the global capitalist system, and analyse what they mean for ordinary working people and the working class movement, both at home and abroad. To do this we try and maintain a healthy balance of domestic and international issues.

We also practice what we preach, and support the working class movement whenever we can, with the long-term aim of building an organisation that can provide the working class with political leadership in times of upheaval. If you're interested in our politics and want to know how you can get involved, please phone or text 027 606 9549 or email: contact@iso.org.nz or visit our website: www.iso.org.nz

20 years since the fall of the Wall: Capitalism has failed, we need genuine socialism



The fall of the Berlin Wall in November 1989 was followed by the overthrow or disintegration of all the Stalinist regimes of Eastern Europe. The demise of these totalitarian regimes was a step forward for humanity and one that any socialist should have unequivocally celebrated.

Yet commentators from both the right and the left treated it as the triumph of capitalism and the death of socialism. This is hardly surprising coming from capitalism's cheer leaders. The short-lived public prominence of Francis Fukuyama rested entirely on his summing up of this triumphalism: "What we may be witnessing is not just the end of the Cold War, or the passing of a particular period of post-war history, but the end of history as such: that is, the end point of mankind's ideological evolution and the universalisation of Western liberal democracy as the final form of human government," which would lead to "accumulation without end". The end of the Cold War was meant to see not just an end to the fear of nuclear annihilation, but even a "peace dividend". The US, as the world's only superpower, would no longer have to waste trillions on arms spending.

Many on the left adopted a mirror image of

this viewpoint. They had agreed with the right that the Stalinist regimes were an alternative to capitalism. Now most of the left joined in the chorus that the failure of these regimes was the failure of socialism.

Giving up on revolutionary change entirely, the Polish dissident leader Adam Michnik explained that "utopias lead to the guillotine and the gulag." Others like British historian and former Communist Party member Eric Hobsbawm, following years of defending the abuses of Stalinism, decided that the market was, after all, the best system that was possible, adding optimistically

that "the bad results of the market can be and have been to some extent controlled."

Various prominent leftists now became advocates of the new "humanitarian" imperialism as the US intervened militarily around the world, supposedly dispensing democracy along with the missiles it dropped on Iraq, Serbia and Afghanistan.

By the tenth anniversary of the fall of the Berlin Wall there was another consensus East and West, embodied in the newly-coined Russian proverb: "everything the Communists said about Communism was a lie, but everything they said about capitalism turned out to be the truth".

The idea that replacing one-party state capitalist rule with multi-party neoliberal capitalist rule would reduce poverty was a lie from the outset. Contrary to all the triumphalist rhetoric about how the market would bring happiness and a Western standard

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of living to the former Eastern European state capitalisms, most people's standard of living actually fell.

FALL OF THE WALL



As the Hungarian dissident G.M. Tamas put it, "What happened was not the transformation of the economy but the destruction of the economy... It was one of the great demonstrations of the destructive power of capitalism".

The current world economic crisis has made all this worse. The Hungarian economy has been particularly badly hit by the downturn and the government was forced to ask for a \$25 billion bailout from international lenders when faced with a mounting debt crisis and a potential "run on the banks" in late 2008. For the Hungarian working class, welfare provisions have been cut by governments of all persuasions since the transition to the free market. Fees have been introduced in public hospitals and unemployment benefits reduced to six months only, and the government is promising to carry out further cuts in social spending. Throughout Eastern Europe fascist organisations have grown, and with them increasing levels of racist attacks.

Yet all of this would sound very familiar to millions of workers in the West over the course of the economic crisis. The story of the past two decades in Eastern Europe is brutal but it is just one example of what capitalism looks like around the world today.

Far from creating a peace dividend improving the lives of billions, the ruling classes have kept a tight grip on their wealth. According to the 2005 UN Human Development Report, the world's richest 500 individuals have a combined income greater than that of the poorest 416 million. Today, someone living in Zambia has less chance of reaching age 30 than someone born in England in 1840 - and the gap is widening.

In the world's wealthiest country - the US itself - the number of people without health

insurance has climbed to 47 million. The United States has slipped still further in international health rankings: forty-second in life expectancy, forty-first in infant mortality. Infant mortality for African-Americans is more than double that of whites.

As for the onward march of democracy, we need only look at the current elections in Afghanistan, a country which had the basic democratic right to self-determination eliminated by a supposedly democracy-bringing NATO invasion.

It was a grim standing joke in the former Stalinist states that the one-party elections often produced a vote of more than 100 per cent for the Party candidate. The venal Hamid Karzai and his US handlers seem to have produced something similar in the recent Afghan elections. According to the UN, more votes were cast than there were

voters at the poll booths.

During the Cold War, the "communist threat" justified Western imperialism. With the end of the Cold War many pronounced a new era of peace. Nothing could be further from the truth. It

has been a new era of imperialism.

The New World Order began with the US attack on Iraq in 1991, and the following decade of UN sanctions killed a million more Iraqis. The US waged war on the Balkans in the 1990s, and on Afghanistan and Iraq

this decade.

All this violence is built into the way that capitalism works. Competition, which even its apologists agree is central to the system, is the key. In modern multinational capitalism, economic competition between firms inevitably leads to economic, political and military

In modern multinational capitalism, economic competition between firms inevitably leads to economic, political and military competition between states. The "hidden hand" of the market needs the iron fist of the state."



Rank hypocrisy is a special quality of the ruling class.

No one will forget, for example, the promises of freedom and democracy that were peddled as aims of the Iraq war. But the cake is taken by the revelation that Cold War warrior and former British Prime Minister Margaret Thatcher didn't want the Berlin Wall to fall. Thatcher was one of the world's most vocal public critics of the Soviet Union, saying again and again that the Soviet bloc was a threat to the survival of freedom and a "human failure" (there is no denying that it was). Yet British paper The Times has reported how official Kremlin records smuggled out of Moscow show that just two months before the fall of the Berlin Wall she met with then Soviet leader Mikhail Gorbachev and articulated how:

"We are very concerned about the processes taking place in Eastern Germany... The reunification of Germany is not in the interests of Britain and Western Europe. It might look different from public pronouncements, in official communiqué at NATO meetings, but it is not worth paying one's attention to it. We do not want a united Germany ... In the same way, a destabilisation of Eastern Europe and breakdown of the Warsaw Pact are also not in our interests... I can say that the President of the United States is of the same position. He...asked me directly to tell you that the United States would not do anything that might put at risk the security of the Soviet Union or perceived by the Soviet society as danger. I am fulfilling his request."

All the rhetoric about the cause of freedom and democracy, about individual rights and the denunciation of totalitarianism - these it appear were "not worth paying one's attention to". Just more propaganda from the mouth of a ruling class conservative who cared only about realpolitik. While Thatcher and her US counterpart George Bush Snr parroted on about the triumph of freedom, they were ready to let Eastern Europe rot under Stalinist dictatorship so long as it preserved stability in the world. In the end you can see that, East and West, the ruling elite were all in it together, more concerned about their own hides than the mass of the populations they ruled.



From state capitalism to neoliberalism

The end of the Eastern European regimes in 1989 was not inevitable. They fell because people did not want them. Strikes and mass demonstrations – and clashes with the security forces – finished them off.

As a result elections could be held, trade unions could function legally and there was a right to hold meetings and demonstrations. All this was an amazing achievement.

People expected that these changes would bring better living standards. But the ruling class had done a trade off – giving people democratic rights but introducing “shock therapy” to the economy.

Millions were thrown out of work and massive cuts were introduced in health and other services. Western banks and corporations were encouraged to come in – the old rulers and some opposition leaders became their partners.

The tragedy was that this opposition worked to convince people that this was the way forward. This collapse of the Eastern Bloc followed a severe economic slowdown in the 1980s.

The old regimes were not socialist, they were capitalist – state capitalist to be precise. They squeezed as much as possible from workers and peasants in order to compete militarily and economically with the West.

The growing economic problems meant that there were divisions among the rulers about what to do. This eventually provided a space for political oppositions to operate.

Reforms

Fears of a similar uprising to the Solidarity movement that rocked Poland at the beginning of the 1980s forced the regimes to bring in reforms, which then led to more demands for change.

Poland's first partially free elections took place on 4 June 1989 – the day of the Tiananmen Square massacre when China's rulers butchered thousands of democracy protesters. In Eastern Europe the rulers were already too weak to go down this road.

The Berlin Wall fell in November and the East German secret police headquarters was trashed. At the same time the Bulgarian leader Zhivkov was overthrown.

Not long after, in Czechoslovakia, mass demonstrations were enough to topple the regime. In December, Romania's regime collapsed after courageous revolts in Timisoara and the capital Bucharest forced the army to join the revolution.

These regimes described themselves as “Communist” – a label enthusiastically taken up by Western leaders to discredit the left. Unfortunately much of the left also viewed these regimes a “socialist” in some form.

But why did anybody think they were socialist? The Russian Revolution in 1917 meant that workers began to run a whole country for the first time in history. Many people thought that the East European countries had their roots in this revolution.

In fact they were born of Joseph Stalin's bloody counter-revolution, and the formation of a state capitalist system in Russia. Stalin created smaller clones of his regime after the Russian army liberated eastern Europe from Hitler's Nazis.

This bloc faced the US and its allies in the Cold War. It was not anti-imperialist, but a weaker imperialist alliance.

Socialist Worker (UK)

There is another continuity with the imperialism of the Cold War. Just as the “Communist menace” justified imperialism abroad and attacks on civil liberties at home, now “Islamic terrorism” plays that role – and with what human consequences? The racism of Guantanamo Bay, the banning of hijab-wearing women from French schools, refugee bashing and “terrorism” trials where innocent until proven guilty becomes innocent until proven Islamic.

The current economic crisis means that workers' lives are becoming ever more precarious, while wars and environmental devastation threaten the future of the planet.

The failure of twenty years of neoliberalism East and West to do anything but enrich those at the top at the expense of the workers they exploit is not due to bad policies or poor leaders. All the attempts at liberalisation, of opening to the market, that so divided the ruling classes of the state capitalist Eastern bloc, were nothing more than an attempt by nation-states to restore profits to the levels enjoyed prior to the prolonged economic crisis of the 1970s. As struggle from below threatened to get out of hand, they turned to the time-honoured methods of co-opting opposition movements. Then as now, bosses continue to exploit workers, and workers continue to resist.

Because working class struggle has not disappeared, the bosses and their governments really do have something to fear. New dangers arise, whether it is the Venezuelan masses mobilising on the streets to prevent coup attempts, or the explosive struggles of the Chinese working class. When the economic crisis cut deeply last year it caused mass protests in Latvia, Lithuania, and Bulgaria (and on the other side of the old divide, in Iceland, Ireland and Greece).

The end of the Eastern European Stalinist states meant that re-establishing the real Marxist tradition of working class self-emancipation became more straightforward. But it is not without obstacles.

Anyone on the left who hankers for the “good old days” discredits the idea of socialism. A more important obstacle is the pessimism about the prospects of revolutionary change engendered by Stalinism and its fall.

In the decade following the fall of the Wall, historians like Orlando Figes in his Russian Revolution. A People's Tragedy took the opportunity to argue that Stalinist barbarism was the inevitable outcome of any attempt to make revolutionary change. “The experiment went horribly wrong, not so much because of the malice of its leaders, most of whom had started out with the highest ideals, but because their ideals were themselves impossible”.

Yet two more decades of the failures of the market have shown that what remains impossible is a decent life for the majority under capitalism. The need for genuine socialism, and a movement that fights for it, is greater than ever.

erned about their own hides than the mass of the populations they ruled over.

Diane Fieldes

competition between states. The “hidden hand” of the market needs the iron fist of the state.

At the end of the Cold War, the costs of the arms race had taken a toll on the US economically. But militarily it was even more dominant – more heavily armed than the next ten powers combined. The end of the Cold War simply meant it used this military strength to dominate the world and to contain and hold back

the influence of other potential rivals, whether in the EU, or a revived Russia, or China. So the US has tried to pull former Soviet states into its orbit, and backed the expansion of NATO up to the borders of Russia throughout the 1990s. It established military bases in central Asia and supported the “democratic” revolutions in Georgia and Ukraine, which brought in pro-Western leaders.

Neither Washington nor Moscow

Understanding state capitalism underpins revolutionary practice

With the fall of the Berlin Wall, many on the left concluded that socialism had failed. Others of us saw these countries as state capitalist and an integral part of the world system. This theory has renewed relevance today, as Chris Harman, one of the pioneers of the International Socialist tradition shows.

When I joined the Socialist Review Group, the precursor of the Socialist Workers Party, back in 1961, our opponents on the left called us the "state caps" - short for "state capitalists". This was not because we were in favour of state capitalism (although rumour had it that one of our members had joined for that reason). It was because we rejected the notion that the USSR, China and the Eastern European states were in some way socialist or workers' states.

If the workers could not even discuss government policies without fear of incarceration, we argued, how could anyone possibly believe they controlled the state and were freely building socialism?

This was very much a minority position on the far left at the time, both in Britain and internationally. Even people who were critical of some aspects of Russia or China would feel that these must be more progressive than Western capitalism.

But there was more to our theory than just that. For our use of the term "state capitalism" made us a minority within the minority. Most of those who agreed with us that the USSR was not socialist came to the conclusion that it was a radically different sort of society from Western capitalism - that it was a class society, but with a ruling class and an economic mechanism completely different to capitalism. This was the view given theoretical form by a supporter of Trotsky from the 1930s, the American socialist Max Shachtman. It was also the view encapsulated in George Orwell's *Nineteen Eighty-Four*.

That view could have very dangerous practical conclusions. It could lead you to believe that the USSR was not only just as bad as Western capitalism, but qualitatively worse. If that was so, there was a logic in supporting Western capitalism against the USSR - and against those on the left who identified with it. This logic led Orwell to pass on the names of Communist sympathisers to the authorities, and Shachtman to support the attempted US invasion of Cuba in 1961.

The "state capitalist" theory led to a very



Rulers of the world: British Prime Minister Winston Churchill, US President Franklin Roosevelt and Soviet General Secretary Josef Stalin met in Yalta, Ukraine, in February 1945 to redraw the map of Europe. Eastern Europe was recognised as falling within the Russian sphere of influence in return for Stalin allowing the crushing of the Communist Party in Greece and ordering the popular Italian and French communist parties to abandon revolutionary politics and accept parliamentary capitalism. The so-called socialist states of Eastern Europe were established not by revolutions but by Russian tanks, and a privileged bureaucracy emerged as the new ruling class. The false choice between Soviet state capitalism and US free market capitalism dominated world politics until 1989.

different conclusion. It was based on recognition that the parameters within which the rulers of the Eastern bloc states operated were determined by competition. This was not internal competition, but external competition with the west European states. An increasing amount of this competition was for markets, but most was military. This might seem different from what happened with competition between firms in a Western economy, but it had the same effect in terms of the economic dynamic of the system.

The various Eastern rulers could only survive this competition if they exploited workers to the maximum, using the surplus they obtained to build up industry. This was exactly the same picture as that presented by Karl Marx in *Capital*, where he showed that the competition between capitalists to sell commodities led to each undertaking "accumulation for the sake of accumulation".

Competitive accumulation had a double consequence. On the one hand it would lead to a new period of massive economic crises. On the other hand it was building up a working class that had the potential to overthrow the ruling class. No state mechanism, however repressive or totalitarian, could indefinitely subdue that working class.

The originator of the theory, Tony Cliff, had set this out in general terms in a book he had written in 1947. We spelt it out more concretely in our perspectives for the next decade in 1970. The USSR would eventually crack apart as a result of an economic crisis with roots similar to those of the crises of Western capitalism.

To most on the left it still seemed the deepest sort of pessimism to write off the states that ruled a third of the world. But with the fall of the Berlin Wall in 1989, when the truth could no longer be avoided, they often concluded that

socialism as such had failed.

For us, by contrast, 1989 showed that capitalism in any form is vulnerable to mass resistance from those it exploits.

One additional point followed from the theory. If the crisis in the Eastern states was a result of competitive accumulation within a world system, then simply moving to the Western model of capitalism would not bring it to an end. How right we were was shown by the way economic crises that had begun under Brezhnev and Gorbachev deepened in the early 1990s - and have now returned with a vengeance during the present world crisis.

Some people will ask, is any of this relevant today? It is, in two ways. First, state capitalism as a theory never simply applied to the Eastern states. It also had relevance in the West, since at least a third of every Western economy is in the state sector. While otherwise excellent Marxists like David Harvey continue to see this sector as somehow standing outside capitalism, we see it as an integral part of the system.

And that leads to a very practical conclusion. When I joined the Socialist Review Group, our statement of aims started, "War is the inevitable result of the division of society into classes." War is still with us, precisely because the state is part of the capitalist system and one of the forms that the competitive struggle between states takes is the accumulation of armed strength.

There can be no revolutionary practice, Lenin once wrote, without revolutionary theory. He was exaggerating a little. But there is no doubt that the left as a whole would have been stronger if more people had accepted our arguments about state capitalism.

In Perspective column for Socialist Review (UK) by Chris Harman, November 2009

(See obituary, p. 21)

1999: Protests shut down WTO



2009 is the tenth anniversary of the “Battle in Seattle” the mass protests of workers, environmentalists and human rights activists against the World Trade Organisation and corporate globalisation. The Battle of Seattle is one of the most important demonstrations since the Vietnam War because it heralded the end of the era of the “New Right” of Thatcher, Reagan, and, in NZ, Roger Douglas and the return of the radical left. In this article, Reece Wright explains globalisation and the victory in Seattle.

It might seem crazy but socialists are actually in favour of globalisation. We have no interest in a protectionist national economy favoured by some on the right, such as New Zealand First favour, and on the left, such as the Greens. We want to see more globalisation. As Noam Chomsky puts it, all globalisation means is means economic and global integration. It is just the type of integration that is harmful. Corporate globalisation, says Chomsky: “refers to the emergence of a world economy in which international financial institutions, stock, bond, and futures market exchanges, and currency mobility are supplemented by a worldwide labor market and global production facilities”.

Numerous actors make globalisation possible. You cannot simply point to one actor and say, ‘hey, you are responsible for this system’.

The banks

The first actors are the financial institutions – the IMF and World Bank, which have been more than happy to lend capital to brutal, corrupt dictators around the world, and then charge unfair interest rates upon the populations to pay this debt back.

Then, there is the World Trade Organisation, which regulates trade throughout the world. Its

rules favour rich countries. It has been successful in ensuring that poor countries remove protections but has overlooked the subsidies richer nations give to their industries. US agriculture could not compete if it did not receive state subsidies.

Corporations

Then there are corporations, which Chomsky calls private tyrannies. These institutions are solely designed to make profit. They might have clever marketing campaigns to make you think otherwise but corporate charity is a joke. One example of this is the Ronald McDonald House – which allows for families to stay in hospital when their children have cancer. This sounds like a nice idea. But do not forget that New Zealand kids are the third most obese in the OECD. Furthermore, we could have a more competent health system if corporations like McDonalds paid more tax.

Giant corporations are often directly involved in brutal human rights violations. Take the example of petrochemical giant Shell (2008 profit US \$31.4 billion, up 14 per cent on the previous year). Shell operates oilfields in Nigeria. The local Ogoni people became disgruntled with Shell’s appropriation of their

land without adequate compensation, and the pollution. They resisted through the Movement for the Survival of the Ogoni People, led by Ken Saro-Wiwa. In response, Shell collaborated with the Nigerian Government to provide ‘security’. Ogoni activists allege they (and members of their families) were imprisoned, tortured, and killed by the Nigerian government. Shell allegedly provided money, weapons and logistical support to the military, such as transportation and ammunition. In 1995, Saro-Wiwa and other Ogoni leaders were hanged, after being convicted of murder by a special military tribunal. Allegedly, Shell fabricated evidence in these trials. Shell paid \$15.5 million to settle the Saro-Wiwa case but continues to deny any wrongdoing.

Nation states

The final actors are the nation states. They are essential because capital can move around the globe but people can not. This is the simple reason why globalisation is possible, under the status quo. If we could all have turned up to Seattle, things would have been much different. As NY Times columnist Thomas Friedman said, “The hidden hand of the market, will never work without the hidden fist—McDonald’s cannot flourish without McDonnell Douglas, the builder of the F-15. And the hidden fist that keeps the world safe for Silicon Valley’s technologies is called the United States Army, Air Force, Navy and Marine Corps ... Without America on duty, there will be no America Online.”

Post-war world

After World War II, the US produced approximately half of the world’s industrial output. All other major powers had suffered terrible destruction in the Second World War. Despite myths of D-Day, the war was on the Eastern Front. About two-thirds of the military deaths in the war were USSR soldiers. The US decided to finance the rebuilding of Western Europe and Japan. It lent money under the Bretton Woods System. It was out of this system that the International Monetary Fund, and the World Bank, were established. This was the golden age of capitalism. Massive Cold War arms spending kept the system working well until the 1970s. In 1971, the US unilaterally stopped backing the dollar with gold, making their currency the global currency. Furthermore, the economic order began to stagnate, with the oil shocks of the 70s.

A new economic order in the 80s was proposed by Milton Friedman and his associates at the University of Chicago – neo-liberalism. It required privatisation and reliance on the so-called free market to determine wages and prices. If governments wished to borrow capital from the IMF or the World Bank, they had to sign up to these neo-liberal policies. Governments that refused, such as the 1970s Allende government in Chile, were overthrown in bloody coups by CIA-backed thugs like Pinochet. Friedman and his cronies were on close terms with Pinochet, telling him how to run his economy, while he presided over a police state that used rape and

BATTLE OF SEATTLE

murder as stock in trade.

This is the era of modern globalisation. Even supposedly left-wing parties, such as the Labour party in New Zealand agreed with this new world order. Mike Moore (not the US filmmaker, but a minister in the 1984 Labour Government), was actually the head of the WTO at the time of the Battle of Seattle. When the Soviet Union collapsed in 1991, it seemed nothing could stop globalisation. Historian Francis Fukuyama boasted that the end of history had been reached, with liberal capitalism dominant the world over.

Resistance

Unfortunately, not everything was rosy. As Chomsky writes: "Rates of growth of the economy and productivity have slowed, wages have stagnated or declined for a great many people (in the US, a majority of nonsupervisory workers), the work load has sharply increased, benefits have declined, social indicators have deteriorated over a considerable range, and so on - with far worse consequences in the South (the former colonial world), which is why the nonaligned countries (accounting for 80 per cent of the world's population), have strongly condemned this form of globalization."

The Battle of Seattle

In November, 1999, at a World Trade Organisation Meeting in Seattle, resistance from the "South" and the "North" combined in one of the most significant demonstrations since the Vietnam War. Seattle is not one of the most important cities on the world stage. However, it is home to Microsoft and Starbucks, two of the most recognisable brands on the planet. It also has working class history. In 1919, Seattle was the first city in the US to hold a general strike, in which the entire city refused to turn up for work. In November, 1999, a World Trade Organisation Meeting was held. Thousands of labour, environmental and human rights activists went to protest the WTO's pro-corporate policies and so-called globalization. Farmers from India and France, trade unionists from the US and many other lands, advocates of the poor, AIDS coalitions and many others held teach-ins, rallies and protests during the last week of November. The protesters managed to shut down the meeting, mainly with blockades.

Violence

Because some protesters deliberately smashed windows, the media attempted to brand them, and the protest in general, as mindless anarchists. But it was small minority who smashed windows and even then it wasn't mindless; the major corporate stores were targeted, rather than small businesses. Smashing windows is almost always counter-productive but labelling the protest a failure because of it is a joke. The police were extremely violent themselves - a state of martial



law was declared. According to Mark Hosler, a Seattle protester: "There was a lot of completely unprovoked firing of rubber bullets, concussion grenades, tear gas and pepper spray in the eyes of protesters who were peacefully sitting or standing in rows with their arms linked together. I never heard any warnings whatsoever before the police did this. My friend witnessed a police officer lean down to a seated protester, pull her goggles from her eyes, pull her head back, force her eyes open and spray pepper spray directly into her eyes. This happened many times. I got teargassed and had concussion grenades tossed at me and rubber bullets were being fired at us. You may have read that the police only became violent after the protesters did. But the opposite is true. The police were firing on us for four hours before any windows were broken by protesters."

“There was a lot of completely unprovoked firing of rubber bullets, concussion grenades, tear gas and pepper spray in the eyes of protesters who were peacefully sitting or standing in rows with their arms linked together.”

Let us not forget that those who die of starvation every day far outnumber the victims of the 9/11 terrorist attacks. Maintaining the status quo requires constant lethal violence.

The protests were successful in their short term goal; they managed to shut down the

conference. Michael Moore, the US film maker stated that "It was a tremendous victory for everyone who lives from paycheck to paycheck. We owe a lot to those brave souls who got arrested and spent the rest of the week in jail." They demonstrated that ordinary people care about issues, and will do more than just complain about it to their mates down at the pub. Although globalisation continues, the Battle of Seattle represented that we can take on the system and win."

Lessons of Seattle

According to the website realbattleinseattle.org, there are five lessons to be learnt. The first is that we cannot afford to fight the symptoms of the system, or organise around single issues. The whole system needs to be replaced. The second is to organise strategically. The organisation must be widely publicised, decentralised, and have clear goals and logic. Thirdly, the movement must focus on people power. The movement must be a grassroots movement, to avoid people being drawn into the illusion of reformism. Fourthly, experience in the laboratory of resistance. No-one is sure what tactics will work again in the future. People should not assume that a previously successful tactic, such as blockades will work again in the future. Fifth, people must tell others of the messages of the movement.

Reece Wright

Why the climate conference will fail

Capitalist competition dooms international agreement

continued from back page

A History of Failure

The first attempts to reduce greenhouse gas emissions on the global stage occurred in the 1990s. The 1990 report of the Intergovernmental Panel on Climate Change, or IPCC, a group of leading scientists convened the UN, predicted dangerous rises in the global temperature if carbon emissions were not cut by 60 percent before the year 2040. It established a new sense of urgency on the issue that led to the signing of the United Nations Framework Convention on Climate Change in 1992. Although the parties to this agreement accepted that climate change was a serious problem, there was little in the agreement that produced any action. The stated 'first step' of reducing carbon emissions in industrialized nations to 1990 levels by the year 2000 was entirely voluntary and in all but a few unusual cases, still has not been met.

The failure of the UNFCCC to curtail growing emissions only increased the urgency of action on the issue, and led to attempts to create a stronger treaty, and the signing of the Kyoto Protocol in 1997. While the reductions in emissions required by the Kyoto Protocol were only very small – only 5.2 percent across the developed world – it did seem that some ground had been broken in enforcing the regulation – the targets signatory nations committed themselves to were to be "legally binding". When the time came for implementation of the treaty, however, it began to fall apart.

Nations with competing economic interests sought to incorporate loop-holes in the treaty that would allow them to continue carbon emissions at the expense of their rivals. Two key mechanisms through which this was achieved were emissions trading-schemes and carbon sinks. Emissions trading schemes effectively allowed countries to exceed their emissions caps by trading away pollution with nations who hadn't exceeded theirs. Attempts at instituting such schemes were usually dismal failures. One scheme in the European Union, found that the "carbon credits" given out were in such high demand that they were over-allocated, combining with an effective collapse in the price of the credits rendering effective regulation difficult, if not impossible.

Carbon sinks are meant to work by supposedly reabsorbing carbon produced by industrial activity. The idea is among nations with both large emissions and large areas of forest and in some proposals, grasslands, wetlands and oceans. Countries with large carbon sinks are able to gain extra credits, essentially reducing their emissions through watching trees grow.

The economic interest of countries was a determining factor on their position in negotiations. Both the United States and Japan – who formerly opposed any legally binding limitations on emissions – substantially increased carbon dioxide emissions in the period 1990 to



Politicians have a sorry history of doing next to nothing in the face impending global warming. Beholden to the interests of big business, they are constantly searching for loopholes in climate legislation and backing away from any real action to tackle the problem. To make real action, we must remove them, along with the whole capitalist set-up and reinvent the way we interact with the planet.

2000, the US by 12 percent and Japan by 14 percent. Along with Australia, Canada, New Zealand, Norway, Russia and the Ukraine, they favored the use of carbon sinks to offset emissions, allowing themselves a slight increase. The main support for a scheme that was "tougher" on polluters came from the European Union – also for economic reasons. The European Union had increased carbon emissions by only 1 percent in the 1990s, mostly due to decreases in the United Kingdom and Germany. In the United Kingdom the decrease was occurred as recession and international competition closed most of that country's coal industry, forcing a switch to natural gas as a source of power. In Germany, the decrease came following the reunification of West Germany with an economically destroyed East. These results were then combined with the rest of Europe, offsetting the high increases of some European nations and producing only a small net increase.

In March 2001, worried about the damage that could occur to its own economy while its chief rivals were left untouched, the United States unilaterally pulled out of Kyoto. As the treaty had to be ratified by nations accounting for more than 55 percent of the world's carbon emissions (the United States alone produces about one quarter), the hand of other countries opposed to tougher standards was strengthened, forcing the European Union to concede on point after point and Kyoto was wrecked. The "legally binding" nature of the treaty was dropped, and was replaced with language that made it "politically binding" – meaning that the only penalty for not reducing emissions was a bigger target for

reductions in the next round – hardly a convincing way forward for the global environment. As is usual in a world dominated by capitalism, the interests of economic competition had at every turn won out against international cooperation.

Power to the People: The Socialist Answer

So if the world's nominated "leaders" are too concerned with squabbling over the profit rates of their economies to save us, who can? Socialists see the solution as lying in the hands of ordinary people. By this we don't mean the so-called power of public opinion – what we mean is that the interests of ordinary, working class people line up much better with environmentally sound approaches to the economy than do those of political and business elites. We need a new perspective on the environment, a radical break that takes us away from all the tired old institutions of capitalism, dominated by search for ever-growing profits, and replaces them with new institutions centered on environmental health and well-being – which means human health and well-being.

There are a number of reforms that could be implemented very quickly that would not just improve working people's quality of life, but also make a substantial reduction to emissions of greenhouse gasses. Transportation is the third largest source of greenhouse gas emissions, and a substantial proportion of that comes from cars. Free, accessible and decent public transport already exists in some cities around the world and could vastly increase the mobility of millions



of people, while at the same time being both more efficient and environmentally friendly. Comprehensive insulation would not only make homes warmer and cheaper to heat, and eliminating the health risks posed by cold, damp and moldy houses, it would also contribute to reducing emissions from New Zealand's third largest source of carbon dioxide emissions (and the single largest source internationally) – electricity generation.

Additionally, working class organizations and unions can be some of the most effective fighters for environmental causes. Strikes for the preservation of areas with environmental values – so-called green bans – were a particularly effective form of environmental action taken by the Builders' Laborers Federation in Australia between 1971 and 1974. 42 Green-bans were initiated in conjunction with residents groups to help protect environmentally and historically significant sites ranging from neighborhood forests to the Royal Botanic Gardens in Sydney.

Ultimately however, reforms won't be enough to save the planet. Much more far-reaching change is needed. We live in a world run for corporations and dominated by the profit motive. Capitalism is addicted to the cheap hit it can get for burning fossil fuels as its number one energy source, and it's unlikely to be weaned off it without massive economic upheaval. Changing that means a revolution in the way society interacts with the environment, including a revolutionary change in our institutions and social structures. We need to effect a change from burning fossil fuels to more renewable energy sources. Industrial activity is the second-largest source of greenhouse gasses worldwide and many of the largest polluters earn subsidies for doing it. These need to be ended, even if it means that the profits of the bankers and industrialists take a hit. In the final assessment, industry itself needs to be reorganized, adopting new technologies and processes to serve human and environmental needs rather than the endless pursuit of profit. Already glimpses of a solution can be seen, in the best interests of working people and in the attempts of workers and activists to change the world around them by living "cleaner and greener". What remains, is to give them the power.

Cory Anderson



Stockton open cast mine, West Coast

Undermining national parks

Gerry Brownlee, Minister for Economic Development, recently expressed his intention for a review of which areas are candidates for mining operations. This involves all of the land currently covered by "Schedule 4" protection, including all of our national parks. This is a clearly and openly stated prelude to opening these regions to mining interests.

Mining is a destructive enterprise. Not only is there significant deforestation to allow for the mine pit, access roads, offices, sluice ponds and tailing heaps required for the main operation but also damaging erosion and silting of top soil due to the damage to waterways, the poisoning of ground water from run-off and tailings and the leeching of processing acids and heavy metals into the ecosystem. The Tui mine in the Thames Valley is considered one of the most toxic sites in New Zealand today. This is not even to mention air pollution from dust, the massive consumption of fresh water necessary for operation and the effect of noise pollution on native species living in the area. Regardless of the method, mining is universally associated with environmental devastation and ecological ruin. Anyone who has seen any of New Zealand's mines will be acutely aware of that fact.

From an environmental perspective, allowing this kind of destruction to go ahead in our protected areas is unconscionable. Areas like Fiordland, one of the regions specifically mentioned by Mr Brownlee for review, are considered some of the most spectacular natural landscapes in the country, and enjoyed by thousands of Kiwis and foreign visitors every year.

Capitalism is a system based on an ever increasing need to expand. If a business is not constantly expanding, constantly revolutionising its instruments of production, always looking for cost savings and new markets, it risks takeover or bankruptcy. This means that mining firms must be constantly looking for new mineral deposits to extract. Not because humanity needs these minerals to survive, not because the vast majority of Kiwi's lives will be better off, but because they need to make more profit. But, as with most industries which exploit natural resources for profit, the long term effects do not fall upon the businesses involved. The profits are reaped privately, while the environmental and social costs are paid by the public.

The government is already trying to make us pay for the polluting activities of businesses in our country through government "carbon emission subsidies". While we are meant to be doing everything in our power to avoid global warming, the National government is trying to expand mining operations, effectively encouraging deforestation and pollution. We need to demand that our natural areas be preserved for use by all New Zealanders, not exploited for the profit of a handful.

Equality across America

The birth of a new gay rights movement in the US



Young and old, gay and straight, people from across the country descended on Washington, DC, to demand full equality for lesbian, gay, bisexual and transgender (LGBT) people on October 11.

People started gathering in the morning at McPherson Square, buzzing with nervous anticipation about just how many would mobilise for the first national march for LGBT rights in a decade and a half. By the time the march stepped off at noon, everyone knew that the crowd was large, but it did not become clear just how large until the front of the march headed west and then snaked back past the White House - with tens of thousands still waiting in and around the square to start moving!

In all, some 200,000 people formed a river of humanity that flooded the blocks around the White House and the Capitol, filling the streets with rainbow flags, handmade signs and a festival-like atmosphere. The turnout exceeded even the wildest expectations of march organisers.

"I think that there are generations of younger activists and straight allies who over the last 15 years have been awakening to the need for them to speak out about LGBT equality, and so this

march came at the right time," said Urvashi Vaid, an LGBT activist and author. "It tapped into that energy. A lot of people I've met said that this is their first march on Washington, so I think that's important. Marches are about mobilising the base, and the base of LGBT rights needs to go back around the country and work at the local level. Each time we have had a national march like this, we have had an upsurge in grassroots activism at home."

People of all sorts came out for the march. Alongside the many first-time marchers were veteran activists, families with children, groups of friends, veteran and active-duty troops, students from campus organisations, members of unions, immigrant rights activists, and people of every race, creed and colour. Together they stood, united around one simple message - full equality for LGBT people in all matters governed by civil law.

Hundreds of students representing a new generation of LGBT activists carried the lead banner of the march, bursting with energy as they marched through the streets. "Get up, get down, there's a civil rights movement in this town!" was one of the favourite chants that these students belted with all their might.

"I think, given the economy, the most important demand is having rights in our workplace," said Bridie Jurasevich, a student from Indiana. "I think when it comes to parenting rights and equal adoption rights, marriage equality is crucial. I just don't understand why I

don't have this right. I pay taxes. I work. I should have the same rights as everyone else."

Frank Naso, one of the thousands who was participating for the first time in a big march, explained that it was his frustration with the pace of change that made him decide to come to Washington:

"I started to get more politically active after realising that Obama was not going to be able to deliver on some of the things he promised. It made me realise that it's not really the person but the system that needs to be changed."

One of the many topics that marchers discussed as they made their way through the streets was the speech delivered by Barack Obama at a fundraiser for the Human Rights Campaign (HRC) the night before. HRC promotes itself as the largest LGBT organisation in the country, but many in the LGBT community were disappointed by HRC's decision not to put its full weight behind the march, or even help to publicise it broadly.

Obama's speech expressed his support for the full legislative agenda of the new LGBT movement, including the repeal of the military's "don't ask, don't tell" (DADT) policy and the Defence of Marriage Act (which was signed by Bill Clinton and defined marriage as between a man and a woman) and the passage of the Employment Non-Discrimination Act (ENDA). But he didn't say anything about a timeline for achieving these goals. There was a spectrum of opinion about the speech and what this means for

FIGHT FOR CIVIL RIGHTS

the nascent LGBT movement.

"I thought it was a strong speech," said Vaid. She added: "I thought it was unequivocally in support. He didn't set a timetable, which people are criticising, and I think we should keep the pressure on the administration. But they are clearly our friends, and he is clearly committed... I think people should turn their disappointment toward Congress and to governors and state legislatures. People should turn their disappointment into political organising back home to create the new majority that we're going to need to sustain social justice in this country."

But for Princeton student Katie Rodriguez, Obama and the Democrats are playing political football with LGBT rights: "We want equality. Congress has other priorities right now, and I feel like Obama is a really smooth talker. Maybe this march will help pressure him. It's good for him to see that we are not going to tolerate this. People are getting more active."

Related to the question of Obama's posture toward LGBT demands is the stance of the rest of the Democrats in positions of power - and it's clear that many continue to counsel "patience."

Another issue, played up by the media in the days leading up to the march, was the "rift" in the movement between those who advocate a state-by-state approach to winning LGBT rights and those who favour a national strategy to demand full equality at the federal level.

"I hope we don't wake up the day after Election Day and realise we could have won Maine if only so many resources weren't put toward the march," Lynne Bowman, executive director of Equality Ohio, told the New York Times.

Cleve Jones, a close collaborator of the late Harvey Milk and one of the march organisers, addressed this debate at a press conference just before the march:

"A year ago today, no one was talking about a national strategy to win federal equality, but now we are. People need to look back to 1963, when the great heroes of the historic civil rights movement were having exactly the same conversation that we are having today. It was bitter and divisive and complicated... But the great heroes of that struggle came to the decision that while they were certainly going to continue fighting in places with names like Selma and Birmingham and Montgomery, they would have to set their sights on Washington, DC.

"When we look back on the extraordinary bitterness and division in this country at that time, what happened was that white America came to understand the appalling brutality of segregation.

"There is a sea change happening in this country, and it is very similar to the civil rights movement, and I want to be conscious about not drawing too many parallels between the LGBT and the African American experience, but as far as strategy, the civil rights movement was spot on."

Russell Reish and Albert Masse have been together for more than three decades - and they couldn't agree more with Jones. Explained Reish:

"We were here in Washington back in 1987 and again in 1993, and we have seen much progress from the fifties and sixties when we

were out and growing up gay. But we still need the right to marry and all these other rights. Albert is sick and he doesn't have too long, but I will not have any benefits as his partner. So that's what we want to see. But we are so happy to see all the young people here who are going to carry on our work."

As marchers arrived at the Capitol, they pressed forward to hear speeches by a long list of activist leaders, political figures and celebrities, including march organisers Cleve Jones, David Mixner, Sherry Wolf and others; gay rights activist Urvashi Vaid; veteran civil rights leader Julian Bond; Sex and the City's Cynthia Nixon; pop singer Lady Gaga; spoken word poet and political activist Staceyann Chin; labour leader Stuart Applebaum; and many others.

Sherry Wolf, author of the recently released *Sexuality and Socialism*, summarised the sentiments of many who spoke:

"The establishment is telling us that with the economy in collapse, a health care nightmare and

two wars and occupations in Iraq and Afghanistan, we are being impatient by demanding that Obama give us our civil rights now. There is too much on the plate.

"What we need to understand is that LGBT people in this country are among the millions of American who are losing their jobs and are having their homes foreclosed on.

"We are the ones who are losing their health care or who have crappy health care at best. And we are also the ones, tragically, by the tens of thousands, who are fighting and dying for wars for oil and empire.

"This is an outrage, it's not acceptable and we are going to continue to fight. And if anyone ever tells you that you cannot build something with no money and no existing organisation, they're wrong. Look around you. The timing is right because the anger is there, and people are fed up and done with the old strategy. It doesn't work. This is our new strategy right here today."

Eric Ruder



The struggle for equal rights for lesbian, gay, bisexual, transgender and intersex (LGBTI) people is gaining momentum. In the United States it is being compared with the Black civil rights movement of the 1950s and 60s.

The discrimination that American LGBTI people face in the military, at work and in their relationships with each other has again been highlighted after a massive demonstration saw 200,000 people from all walks of life march in Washington on October 11. The night before, President Obama addressed the Human Rights Campaign annual fundraising dinner, telling LGBTI people that no one should tell others to wait for their rights to be granted. The demonstration sent a clear message that they don't intend to wait.

This is an important step in the fight for equal rights. It has placed the subject of discrimination firmly among the top political

issues in US society. It will help buoy the spirits of all those fighting for equal rights, and it provides another obstacle to those in the US ruling class wishing to create divisions between working people in the midst of economic crisis.

In Australia, the campaign against one of the few remaining forms of institutionalised discrimination - the prohibition on same-sex marriage - has taken more modest, but still encouraging steps. The Howard Liberal government previously amended the Marriage Act to outlaw same-sex marriage. The Rudd Labor government continues the discrimination. In August this year, marking the fifth anniversary of changes to the Act, a successful national day of action saw thousands rally in capital cities across the country.

Ben Hillier

How international finance controls NZ

Financial deregulation and the Dollar-Wall Street regime

Surely, in an open democracy, government should be solely responsible to the citizenry that elects them. So why was it, then, that the Key government formulated a budget with an overarching deference to international finance?

Byron Gordon-George investigates:

In the weeks leading up to the Key National government's first Budget, the interests of international credit ratings agencies were a prominent feature of the media discussion. Senior public officials and politicians met with international ratings agency Standard and Poors to convince it the proposed budget met the company's preferences. Why is this?

Fundamentally, it was because ever since the 1984 Lange Labour government adopted a radical program of financial deregulation and neoliberal structural adjustment (so-called "free market" policies), New Zealand has been extensively integrated into the US-dominated global financial system. This system, which has been extensively analysed by critical political economists around the world, has come to be referred to as the "Dollar-Wall Street Regime" (DWSR).

In the early 1970s, the oil shocks, global recession, and an enduring economic crisis led to the breakdown of the "Bretton Woods" system, which had governed post-war international monetary relations. It was replaced by the Dollar-Wall Street regime. As Professor Peter Gowan showed in his influential work "The Global Gamble, under the Dollar Wall-Street Regime", the US was given autocratic power over international monetary affairs; US-dominated financial markets are now at the centre of macroeconomic management across the globe.

The dollar standard

As its name suggests, the Dollar-Wall Street regime consists of two main pillars. The first of these was the adoption of the US dollar as the only standard in international monetary relations. This was done in 1971 by cutting of the official link between the dollar and the value of gold that prevailed under the Bretton Woods system.

The continued centrality of the US dollar was shown by the latest International Bank of Settlements Triennial Central Bank Survey of foreign exchange and derivatives market activity. While perhaps declining slowly during the mid-2000s, "the US dollar continues to be the dominant currency in foreign exchange markets, being on one side of around 86% of all foreign exchange transactions in April 2007."

As Gowan showed, the significance of the dollar standard in international financial relations

is that it frees the US from the balance of payments constraints faced by all other states. The US alone can shift the value of its currency without drastic economic consequences and "substitute the sale of Treasury bills for a domestic pool of foreign exchange reserves and run its economy without large reserves."

The second pillar of the Dollar Wall-Street Regime is that private financial markets (like Wall Street) have become the primary site for international financial relations. This shift was accomplished through two key moves undertaken by the US during the early 1970s. The first move was the pumping of a vast quantity of petrodollars accumulated by Arab oil producers as a result of the 1973 world oil crisis through New York investment banks.

Following the quadrupling of world oil prices in 1973, a massive new body of liquid cash, totalling almost US\$50 billion during the period from 1974 to 1976, fell into the hands of a small number of oil producers (especially Saudi Arabia). Despite opposition from Japan and Western Europe, these funds were transferred to capital-hungry developing economies via Wall Street. This moved US-dominated financial markets into the centre of global financial relations because for finance capital, more so than for any other fraction of capital, size is the key determining factor in market competition.

The second move was the ending of the so-called financial 'repression' of Bretton Woods through the abolition of capital and exchange controls. From this point on, private markets largely took over the work previously done by government banks. The bulk of the world's domestic financial systems and exchange rates became vulnerable to Wall Street, with the stability of a nation's currency's stability resting on its 'creditworthiness' in international financial markets.

Two pillars

These two pillars of the Dollar-Wall St regime are mutually reinforcing. The primacy of the dollar pushes states and corporations towards US-dominated banks for their financial needs. Because most important commodities are bought and sold in the dollar, most players will try to hold most of their foreign exchange reserves in dollars and finance their operations through Wall Street or City of London operators. Holding substantial dollar reserves to hedge against foreign exchange instability is made doubly necessary by the floating foreign exchange rates that have become normal government practice. This pressure is shown by the expansion of US dollar foreign exchange reserves mapped out in the table.

Together these factors, deriving from the dollar standard, have substantially expanded both the volume and velocity of capital turnover within the core international private financial markets, reinforcing again the competitive advantage of private finance markets. The dominance of Wall Street is reinforced by the dominance of the dollar

because its scope and resources render it a safer and more competitive market.

Market madness

Under the Dollar-Wall St regime, foreign exchange market volatility has increased dramatically. New Zealand's experience has been no exception to this broader global trend. That volatility may be due to market madness if former World Bank chief economist Joseph Stiglitz is right. He has argued that the "notion that markets are rational has been called into question." Instead, he says, "markets may suffer from irrational exuberance as well as irrational pessimism, and the swings between the two can be rapid."

Foreign exchange market volatility is a problem for the "floating dollar" regime of all NZ governments since the Lange government. Volatility undermines economic stability. A rise in the NZ dollar undermines the export sector and falls in the NZ dollar lead to capital outflows and higher domestic interest rates. Worse for NZ, as Reserve Bank economists Nils Bjorksten and Anne-Marie Brook argue, "the more important external trade is to an economy", the greater the likely impact of such developments. So, as with other relatively small, open, developed economies with a moderately large tradables sector, eg Iceland, Norway, Australia and Canada, the costs of a floating dollar are high.

Belt-tightening

The foreign exchange volatility of the Dollar-Wall St regime demands that the Key government entrench the "belt-tightening" approach to fiscal policy formulation. An advantage of international finance markets was supposed to be that international borrowing by a government would not increase domestic interest rates. But global financial markets "tend to impose a risk premium on borrowing countries." Governments perceived to be in debt face markets seeking to reduce their exposure to risk, resulting in rising interest rates and a falling foreign exchange rate. That's why the Key government made managing debt as a percentage of GDP the cornerstone of its fiscal strategy.

Budget 2009 reflects perfectly the way that New Zealand's exposure to a volatile financial market dominated by US trading banks demands ongoing commitment to neoliberal economics. This means cuts to education, health and social services and more demands on the time and energy of working people.

Further reading

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Racism: a tool to divide and rule



Socialism depends on workers overcoming the divisions within their own ranks. The most powerful of these divisions is racism, in all its forms.

Racism means, at root; to make physical or cultural differences between people into a basis for discrimination. It can involve skin colour, language or religion. In politics, racism is a way of diverting people's attention from the causes of their problems, and finding a "scapegoat" in some other group. The most infamous example of this is the atrocities of Nazi Germany.

Racism is deep-set in all modern societies, including colonial-settler societies such as New Zealand and Australia. As one juror during the 1838 Sydney trial of settlers who were accused of the massacre of 28 Aborigines notoriously said: "I look on the blacks as a set of monkeys, and I think the earlier they are exterminated the better." The settlers were let free.

While London's official policy at the time was for equal rights and even recognition of land ownership for Aborigines, the white juror's attitude, and the outcry in colonial society that white men were being tried for clearing away a few blacks, reflected the brutal racism that was a major factor in the founding of modern Australia.

All capitalist colonial-settler societies, such as the USA, Canada, Israel, Australia, and even New Zealand have been founded to a greater or lesser degree on such attitudes towards indigenous peoples and, in the USA, towards descendants of African slaves. Racist attitudes towards non-white immigrants have also been a central feature of the development of these societies. Racism remains one of the main features of capitalist society.

A leaflet from the neo-Nazi British National Party (BNP), that was released shortly before I left the UK, begins by describing a female pensioner who suffers from bad housing and poverty, which is indeed a problem. But rather than attacking the vast inequalities in society the pamphlet reads: "if only the poor pensioner could apply for asylum".

It talks about how the government sets minimum provisions for landlords who house asylum seekers – they have to provide TVs! They must clean their windows four times a year! Of course, the neo-Nazi leaflet doesn't

mention that asylum seekers are denied the right to work. It says nothing about the government forcing them into destitution or threatening to take away their children or deport them. Instead the leaflet set out to stir up resentment among one section of the working class against another.

It suggests nothing that will help the plight of pensioners. It shows "sympathy" for them, but offers no solution but hate for strangers. Nobody benefits from the BNP's argument. The pensioners need a big pension increase, financed from taxation on the rich. To win that, we need a strong and united working-class campaign – the very thing the BNP and other fascist and racist organisations hate and fear.

Fascists like the BNP may be the worst, but they're not the only racists. Britain's home secretary at the time of the leaflet's publication, the Labour Party's David Blunkett is not a fascist but his endless attacks on asylum seekers are racist to the core. Indeed, they help groups like the BNP. Racism reinforces ideological differences between working people to divide them.

Racism doesn't even benefit the groups it claims to defend. In the US, for example, the most segregated states with the worst racism are also those with the lowest wages for white workers – and of course for black workers. It is the big employers who gain from US racism.

Modern racism emerged with capitalism. African slavery provided the labour power needed to exploit the newly-discovered Americas. The European powers needed a an ideological justification. They invented "biological" differences between so-called "races" to legitimise white domination over African and Asian peoples. Today racism is used to divide working people across the face of world capitalism, hoping they will fight each other

rather than unite against their common exploiters.

A more insidious justification is more common. Racists claim that people of "different cultures" can't mix together. Yet the whole history of our human species suggests quite the opposite. The very languages we speak are mixtures from all sorts of different sources. Our cultures are constantly enriched by interchange with others, whether it's technology, food, music, clothing or decoration.

Against the divisive hatreds of racism, socialists always argue for solidarity with the oppressed and for working class unity. Racism, which helps no one but our rulers, is endemic in class society. But it can be combated. Outside the small ranks of organised fascists, most racism today is shallow and deeply contradictory.

The same person can make a racist remark one day, and the next day sign a petition in support of an asylum seeker if the case is presented in a human way. It's notable that much of the voting support of the BNP in the UK and similar European far-right parties comes from the outer rims of cities and towns, where black and Asian faces are least seen.

There is a constant war within the working class. On one hand there are divisive ideas that tie us to our rulers and leave us feeling weak, hopeless and afraid. On the other are ideas of solidarity and hope for change. Socialists have to be part of that ongoing argument all the time.

Revolutionary Marxists see "race" as a product of capitalism which serves to reproduce this social system by dividing the working class. It can only be abolished by through a revolution achieved by an international, united working class – a socialist revolution in which people of all races join together against their common oppressors.

Joe Llewellyn



Right Wing Resistance members posing with newly returned leader Kyle Chapman, formerly leader of the National Front. The Right Wing Resistance are a Neo-Nazi vigilante group based in the Christchurch suburb of New Brighton. They have recently made headlines after roving the neighbourhood in search of coloured victims, under the pretence of keeping the suburb safe for hard-working white members of the community.

Warsaw Ghetto uprising hero dies



Marek Edelman, the last surviving leader of the 1943 Warsaw Ghetto Uprising, passed away on October 2 at the age of 90.

For occupied people the world over, the Warsaw Ghetto Uprising has long been a symbol that resistance is possible, even in the face of an overwhelming military odds. During the Israeli assault on Gaza this past January, many Palestinians saw their own struggle in parallel with the Warsaw Ghetto fighters. Palestinian scholar Joseph Massad recalled, "Their uprising was always inspirational to the Palestinians. In the heyday of the PLO as a symbol of Palestinian liberation, the organization would lay flower wreaths at the Warsaw Ghetto monument to honor these fallen Jewish heroes."

In 1939, Hitler invaded Poland, launching the Second World War. The following year, the Germans rounded up 400,000 Polish Jews and sealed them inside Warsaw Ghetto, where they died in the thousands, from starvation, disease and violence. In 1942, the Nazis began deportations, packing thousands of Jews into train cars to be carried away to the death camps.

Rumours of death camps

Only 20 years old when the Nazis invaded Poland, Marek Edelman was a member of the Jewish (anti-Zionist) socialist party, the Bund. As

an organized socialist, he helped pull together an underground network inside the Ghetto of socialists, trade unionists, and youth groups. This underground worked for years to expand their numbers, provide combat training, acquire arms and prepare for a confrontation with the Nazis. Edelman explained that most of the ghetto population refused to believe the rumors about the death camps, and were willing to board the trains to escape slow and certain death inside the ghetto. Sometimes the Nazis even bribed starving crowds to get on the trains by offering them bits of bread.

The Ghetto Fights

Therefore, the underground saw that its main task was to convince the ghetto population that the trains were, in fact, taking them to their deaths, and that armed resistance to the deportations had to be carried out. Edelman wrote, "All our clandestine activities, we decided, would now be carried out with a single view in mind: to prepare our resistance... The same day the first issue of our paper, *On Guard*, in which we warned the population not to volunteer for deportation, and called for resistance, appeared.

"Utterly helpless as we are," Comrade Orzech wrote in the editorial, "we must not let ourselves be caught. Fight against it with all means at your disposal!"

However, on January 18th, 1943, the ghetto was surrounded once again and the "second liquidation" began. This time, however, four barricaded battle groups offered armed resistance. For the first time, the halo of omnipotence and invincibility was torn from their Nazis' heads.

"The number of Germans killed by [our] bullets was not the only important thing. What was more important was the appearance of a psychological turning point. The mere fact that because of the unexpected resistance, weak as it was, the Germans were forced to interrupt their "deportation" schedule was of great value."

In April 1943, the Germans launched their final assault. The resistance had been so decimated they were down to a mere 220 poorly armed, half-starved fighters.

"Now the SS-men were ready to attack. In closed formations stepping haughtily and loudly, they marched into the seemingly dead streets of the central ghetto. Their triumph appeared to be complete. It looked as if this superbly equipped modern army had scared off the handful of bravado-drunk men, as if those few immature boys had at last realized that there was no point in attempting the unfeasible, that they understood that the Germans had more rifles than there were rounds for all their pistols. But no, they did not

scare us and we were not taken by surprise. We were only awaiting an opportune moment. Such a moment presently arrived... Strange projectiles began exploding everywhere (the hand grenades of our own make), the lone machine-gun sent shots through the air now and then (ammunition had to be conserved carefully), rifles started firing a bit farther away. Such was the beginning."

The Germans attempted a retreat, but their path was cut. German dead soon littered the street.

"Every house remained a hostile fortress. From every storey, from every window bullets sought hated German helmets, hated German hearts."

The Nazis had to burn the ghetto to the ground to end the resistance. Edelman led 50 comrades through an underground sewer to escape the inferno and, in that way, he narrowly survived to fight another day. The following year, in 1944, Edelman joined the heroic 63-day Warsaw uprising, when the Polish resistance tried, and failed, to liberate the city from German occupation. Only 280,000 of Poland's 3.5 million Jews survived the Holocaust. But Edelman refused to emigrate after the war, telling one interviewer, "Warsaw is my city...Someone has to stay here with all those who died."

Against Stalinism and Zionism

Edelman became a cardiologist in post-war Poland. As a Jew, he was repeatedly fired from his hospital positions during the Stalinist regime's periodic anti-Semitic witch-hunts. By the 1970s, few Poles had heard of the Warsaw Ghetto Uprising so in 1976, Edelman finally ended his own silence, and gave a book-length interview about the uprising to the underground press. Though the book had to be printed secretly, it sold 40,000 copies. In the late 1970s, Edelman joined the Workers Defense Committee, which developed into the powerful Polish workers movement, *Solidarity*. When martial law was declared in 1981, Edelman was among those detained. After Edelman died last week, the Israeli newspaper *Ha'Aretz* published an article called "The Last Bundist," by writer Moshe Arens, who knew Edelman personally. Arens commented, with some puzzlement, that to the end of his life, Edelman stayed true to his Bundist political principles - belief in socialism and opposition to Zionism. Arens also noted that Edelman was a frequent critic of the Israeli oppression of the Palestinians and wondered if that uncomfortable fact might explain why, when "I tried to convince a number of Israeli universities to award Edelman an honorary doctorate in recognition of his role in the Warsaw Ghetto Uprising, I ran into stubborn opposition led by Holocaust historians in Israel." Thus, in the last year of Edelman's life, his historic struggle was embraced by the Palestinians in Gaza, and rejected by the Israeli establishment. His legacy of resistance lives on, a hero to the oppressed and a threat to the oppressor.

Annie Zirin

A tragic loss for socialist movement

Chris Harman, one of the greatest revolutionary Marxists of recent years, has died at the young age of 67. This is a tragic loss for the revolutionary left.

Harman was a revolutionary from his university days, and a leading member of the International Socialists (which became the Socialist Workers Party) in Britain by the age of 26.

His writings will remain both an inspiration and source of important knowledge and arguments for anyone wanting to understand the genuine Marxist tradition. The breadth of his research and writing was astonishing. However, he was always focused on questions the revolutionary left needed to clarify, or debates into which he thought we should intervene.

So in 1984, he wrote what was for many of us in the IS tradition, a seminal document on women's liberation. It was a summary of conclusions drawn from several years of debate about women's oppression and the relationship between fighting for women's liberation and socialism. In it he took up the question of whether women have always been oppressed. Ever since he has followed debates in archaeology and anthropology. In 1994, in a special edition of the International Socialism Journal, he summarised Engels's arguments about the origins of humanity, the rise of classes, the state and women's oppression in light of the most recent knowledge and theories in these fields. And only a few months ago he drew the attention of readers of the ISJ, which he edited, to new archaeological discussions about an early classless society.

In 1989 he intervened in the debates among Marxists on the transition from feudalism to capitalism, another topic which led to further research and intervention, with articles about the rise of the capitalist nation state, followed by the developments of that state and its relationship to capital. He wrote widely about imperialism and produced a pivotal book on the creation of the East European Stalinist states after World War II. His *Fire Last Time* was likened at the time by one reviewer to Trotsky's *History of the Russian Revolution* in its grasp of the Marxist historical method. It is a marvellous account of the radicalisation and struggles of the 1960s and 70s.

Only months before his untimely death, his latest analysis of the world economic system was published. This was a re-statement of his original *Explaining the Crisis* which is one of the best explanations and defence of Marx's economic theory you will read. *Zombie Capitalism*, the latest book, builds on that explanation and explains the new crisis the world system has entered.

His research and interventions are summarised in his *A People's History of the World*.

These works and more are some of the best



As a committed revolutionary socialist and Marxist writer more than 40 years Chris's contribution to the development of socialist ideas was unequalled. At the time of his death he was, in my opinion, the foremost Marxist theorist in the world and his loss will be blow to socialists from Seoul to San Francisco.

But his prolific writings, above all, his amazing distillation of the whole story of humanity in his *People's History of the World*, and his profound analysis of the economic crisis of contemporary capitalism in many books and articles, culminating in his brilliant *Zombie Capitalism*, will remain an indispensable educational resource and guide to action for the whole international socialist movement for decades to come.

John Molyneux (Photo: Hossam el-Hamalawy)

sources for an understanding of the dreadful traditions of Stalinism; they spell out succinctly and clearly the genuine Marxist analysis of twentieth century capitalism and into the twenty-first.

Harman never pursued ideas or historical knowledge simply for academic interest. He was always intervening to win people to a Marxist world view. I remember being in London when the Stalinist bloc was collapsing. He was editor of the SWP's weekly paper, *Socialist Worker*, a demanding job, doing numerous talks at the Marxism conference, arguing with people from all corners of the world about what their organisations were doing. At the same time he was madly learning Russian in the hope he could go to Russia and intervene in the ideological turmoil there, which he did. The tragedy was the organisations of the IS tradition were too small to be a pole of attraction for the layer of

intellectuals he and others debated. The nightmare of Stalinism left a shadow which obscures the genuine Marxist revolutionary traditions, and it still hangs over the left world wide. To step out from under that shadow, to understand the liberating force of Marxism, there is no better writer from the last 4 decades to study.

Chris Harman will be sorely missed by the revolutionary movement as we live through one of the terrible crises of capitalism he so clearly explained. However, the work he has produced will stand us in good stead and remain as a lasting memorial to him as we face the task of building a revolutionary movement capable of ending the rule of capital once and for all - a project to which Harman gave every breath of energy he could muster for the whole of his adult life.

Sandra Bloodworth

Emory Douglas: Revolutionary artist



Forged in the fires of a radicalizing civil rights movement, widespread police violence, criminally substandard living conditions and international resistance to imperialism, the Black Panther Party for Self-Defense (BPP) was founded in 1966 and rocked the landscape of U.S. politics.

While the government considered the BPP "the greatest threat to the internal security of the country," its revolutionary politics of racial equality, solidarity with all oppressed and militant self-defense became a source of inspiration to thousands. Just as the Panthers' social programs, including health clinics and a free breakfast program, have been overlooked in

comparison to its guns, the role of party member Emory Douglas, whose weapon of choice was art, has been overshadowed by the party's more famous members.

Black Panther: The Revolutionary Art of Emory Douglas is a powerful book that literally presents a picture of the full breadth of the party's politics over time and serves as a

testament to the potential relationship between artists and movements.

At 22 years old with a background in commercial art and the ideas of the Black Arts Movement, Douglas took on the overall design and weekly production of the BPP's newspaper, Black Panther, until it ceased in 1979. Given that Black Panther reached a circulation of 400,000 a week, this is a large contribution on its own. But Douglas's primary role was as the Party's Revolutionary Artist, creating political art that made the paper as visually stunning as it was verbally provocative.

While featuring the expected, and thoroughly amusing, scathing depictions of police and politicians as pigs, the rich collection of images in the book offers much more. As Collette Gaiter, one of the book's contributors, says of Douglas, "He showed as much versatility with different styles and techniques as a musician who can play several instruments as well as write music."

Douglas' work abounds with innovations in collage and textural techniques that ranges from flat, simple figures to finely detailed drawings, to charcoal renderings. But as Gaiter goes on to say, "The work's power is in its integrity of purpose; to make life better for all disenfranchised people of the world."

Some of the most powerful pieces—one of which sets the images of a Black soldier in Vietnam, crying children and drug abuse in the backdrop of the American flag—speak to the deep anguish felt by everyday Americans. But most of the pieces also speak to the Panthers' ideas on changing the world.

Despite whatever political limitations the BPP had, unrelenting critiques of Black capitalism, proud expressions of solidarity with other struggles for liberation and the portrayal of women as equal partners in the struggle for revolutionary change set them apart from other Black nationalist organizations—and are given many vivid expressions in Douglas' art.

Best of all, his work is essentially hopeful. While harsh conditions are never hidden from view, they are also infused with dignity, militancy, and the certainty of fundamental change. And as Douglas was shaped by the politics around him, he in turn shaped them. From Boots Riley to Danny Glover, essay after essay in the book speaks to the impact in consciousness his images helped foster. As Douglas explained in an interview, "no such thing as art for art's sake. All art was a reflection of a class outlook. Which is true, even today...I feel art should serve a purpose by doing social commentary...all of it is whether it's positive, negative, mainstream...it has some social commentary to it."

Interestingly, Douglas, who is still active on behalf of political prisoners, says he is most proud of his organizing. While we certainly need more activists on the ground, one can't also help but hope to see more art in the same tradition as Emory Douglas as well.

Sarah Macaraeg

Israel: The Hijack State \$6

John Rose

Israel's "fight against terrorism" has been presented as a heroic struggle by a previously persecuted people against evil-eyed assassins and fanatics hellbent on murderous destruction of the Israeli state. However, the history of Israel suggests the opposite interpretation. The state of Israel was founded upon the expulsion of three-quarter of a million Palestinians from their homes. Israel's evolution has seen the increasing use of state terror on a monumental scale. This, combined with American backing for a militarization of its economy, has turned Israel into a ruthless outpost for Western domination of the middle east.

Capitalism's New Crisis \$5

Chris Harman

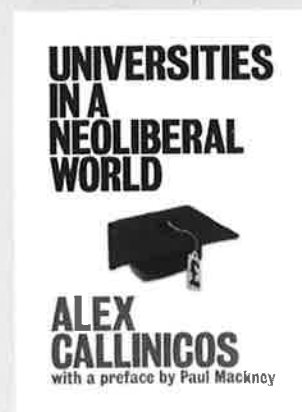
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Venezuela and Revolution in the 21st century \$3

Joseph Choonara

Latin America is in the frontline of resistance to neo-liberalism, and Venezuela is at the heart of that rebellion. Hugo Chavez's call for 'Socialism in the 21st century' has inspired millions around the world looking for an alternative but has also raised many new questions: What dangers lie ahead? What role can Venezuelan workers play? And is Venezuela heading for revolution?



Prophet and the Proletariat \$6

Chris Harman

Chris Harman charts a course through the contradictions of Islamism, revealing its class roots and arguing that when the Islamists are in opposition the socialist attitude should be 'with the state never, with the Islamists sometimes'.

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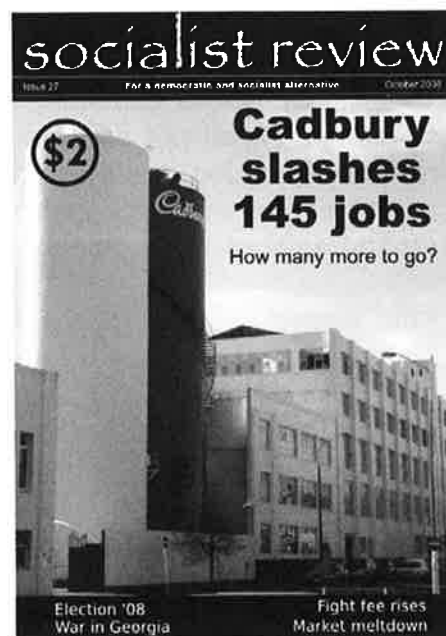
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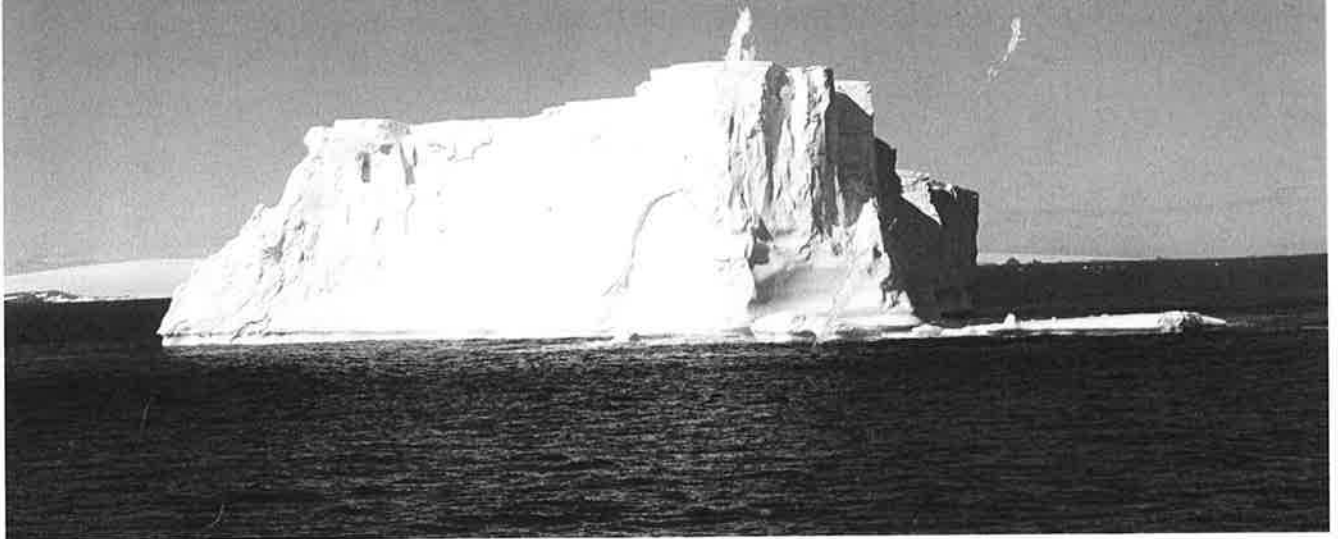
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Copenhagen conference can't stop **CLIMATE CHANGE**



Preparations for the latest round of negotiations on climate change have thrown this issue back into the international media spotlight. Promoters of the conference hope increased participation from Barack Obama and the United States will yield progress on producing a new international accord on climate change that can reduce emissions and put a halt to the accumulation of greenhouse gasses in the atmosphere that is so threatening life as we know it. There are however, several reasons to be a little more pessimistic about the Copenhagen conference's potential.

To start with, it is expected that the talks at Copenhagen will not produce a new treaty to replace the failed Kyoto Protocol, but the aim is rather more modestly to produce agreement around a set of "core essentials" for movement on future negotiation.

This is nothing more than a replay of what happened in the run-up to the conference that produced Kyoto, where most of the participants agreed "in principle" to the essentials of the treaty, but then proceeded to water it down, wreck it and sabotage it, finally turning it into a dead letter with the withdrawal of the United States.

Worse still, the principles to be agreed upon are a step backward on what was agreed

upon at Kyoto. Rather than being driven by any desire for international cooperation in the face of an unprecedented crisis, economic concerns such as how willing countries are to reduce their emissions are at the centre of negotiations.

Beyond this, there is talk for the first time of how much developing nations, such as India and China, are willing to do. This is something that was explicitly left out of Kyoto, in the interests of international equality and because the vast bulk of greenhouse gas emissions are not from these countries.

Twelve years on and the situation remains much the same – global inequality is still entrenched and the eight most industrialized nations still account for nearly half of the world's carbon dioxide emissions.

So why all the excitement about the conference?

While many environmental activists would agree that the aims of the Copenhagen talks are fatally modest, most nonetheless continue to put the main of their efforts into convincing the various delegations to take a more principled stand on regulating greenhouse gas emissions. But climate negotiations have proved to be a dead-end.

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